

5. RESOURCE INVENTORY

LAND INVENTORY

In preparation for the 2002-2006 Housing Element, Town staff conducted a study of vacant and underutilized land that had no infrastructure constraints. The table below shows the results of that study. The information in the table includes vacant land availability in relation to the Regional Housing Needs Allocation (RHNA), as described in pages 29-32 of this document. The Town's RHNA consists of a very low income and a moderate income housing unit need. The Town has already met its need for low income and above moderate income housing for the 2000-2006 time frame.

**ILLUSTRATION # 19: PROJECTED HOUSING NEEDS AND LAND AVAILABILITY
(WITH NO INFRASTRUCTURE CONSTRAINTS)
SPRING 2002**

HOUSEHOLD INCOME CATEGORY AND REGIONAL HOUSING NEED 2002-2006	AVAILABLE VACANT AND UNDERUTILIZED LAND	DENSITY RANGE THAT COULD BE PROVIDED AT CURRENT ZONING/LAND USE DESIGNATION	NUMBER OF POTENTIAL UNITS	SUFFICIENT LAND ZONED TO MEET REGIONAL HOUSING NEED?
VERY LOW INCOME 59 Units 				



As the table on the previous page illustrates, there is sufficient land with infrastructure to accommodate the Town's RHNA for the 2002-2006 time frame. The very low income need of land suitable for 59 additional units can be met through the existing land zoned at high and medium density. There is ample evidence from previously approved developments that the Town can provide high density housing in the medium density zone as well as the high density zones. For example, the Vasona Gateway (Sobrato development) approved in 2002 was for a mixed-use development with 135 residential units. The "effective" density for the residential land only was 30 units per acre. Mixed use development is allowed on any residentially zoned land in the Town, especially medium and high density land. It is important to note that 27 of the total 135 units in Vasona Gateway are "Below Market Price" (BMP) rental units for very low and low income households. Another development approved in 2002, Terreno de Flores, is a 19 unit project with a density of 13.7 units per acre, of which 2 units will be BMP very low and low income rental units. In addition to using the Mixed Use designation to provide higher density developments, the Town has also successfully used density bonuses. The Los Gatos Creek Village development was granted a 100% density bonus for a parcel (less than an acre in size) that was zoned for medium density, 5-12 units per acre. The entire development consists of rental units affordable to very low income households.

The Town will monitor the development community's progress in providing very low income housing units. Program #1 in Chapter 8 of this document specifies that the Town will review the production of very low income units in relation to its RHNA goal in late 2003. If it does not appear that the units are being produced as needed, the Town will consider rezoning at least 5 acres of medium density land to a higher density or apply an affordable housing overlay zone in order to address the very low income housing need.

The moderate income RHNA need of 73 units can easily be achieved through land currently zoned medium density. Even if the existing vacant land is developed at the lower range of 5 units per acre, there is sufficient land to accommodate both the moderate income and the remaining very low income need. (For further information regarding vacant/underutilized land in the Town, please see Appendices B and C of this document.)

FINANCIAL RESOURCES

LOCAL FINANCIAL RESOURCES

The most significant source of housing funds controlled locally is the Town's Redevelopment Housing Set-Aside funds. As required by State law, the Redevelopment Agency "sets aside" 20% of tax increment revenues to be used to increase the supply of low and moderate income housing in the community.

The Town's "Five Year Affordable Housing Production Plan", completed in 1999, estimates that 14 affordable units will be required to meet Redevelopment requirements between 1995-2004. The total number of affordable units needed during the "life" of the Redevelopment Project Area is 23 units from 1995-2032.

In 1997-98, the Agency provided financial assistance to Community Housing Developers to develop the 12-unit Los Gatos Creek Village Apartments on Miles Avenue. As of Spring 2002, the Town's Redevelopment Housing Fund had a balance of approximately \$1.8 million dollars. The illustration below provides an estimate of the fund's revenues for the period between 2002-2006.

ILLUSTRATION # 20: REDEVELOPMENT AGENCY HOUSING SET ASIDE FUNDS, ESTIMATES FOR 2001-2006

	<i>2001-2002</i>	<i>2002-2003</i>	<i>2003-2004</i>	<i>2004-2005</i>	<i>2005-2006</i>
<i>SOURCE</i>					
<i>Fund Balance</i>	<i>\$1,215,140</i>				
<i>Tax Increment Revenue</i>	<i>\$ 681,530</i>	<i>\$741,912</i>	<i>\$787,950</i>	<i>\$823,043</i>	<i>\$859,330</i>
<i>TOTAL</i>	<i>\$1,896,670</i>				

The table above provides an estimate of the annual amount of funds expected to be generated from 2001-2006. The Agency expects to utilize these funds on an annual basis by providing assistance for affordable housing production and paying administrative expenses. At the time that this Housing Element document was adopted, there were no plans for the use of the housing funds for a specific development or project. However, it is anticipated that, within the time frame of this Housing Element, the Agency will provide assistance to developers (non profit or for profit) for developments that meet the following Agency guidelines (from "Five Year Affordable Housing Production Plan", Page 9):

1. Redevelopment Housing Funds shall be used to assist the construction of new units for very low and low/moderate income households or to "buy down" the affordability level of existing BMP units.
2. Redevelopment Housing Funds will be provided as either an amortized or deferred payment loan.
3. The units must meet the basic occupancy and affordability provisions specified in the Town's Redevelopment Implementation Plan.



4. All units created or subsidized using Redevelopment Housing Funds shall remain affordable for the longest feasible time but in no case fewer than 55 years for rental housing and 45 years for owner-occupied housing.
5. Redevelopment Housing Funds shall be used for development of affordable units on property located within the Redevelopment Project Area.

In 2001, the Town's Agency executed an agreement with the Housing Trust of Santa Clara County in which the Town contributed \$250,000 in Redevelopment funds to the Trust. In return, the Trust agreed to provide funds for one or more affordable housing projects in Los Gatos. At the time this Housing Element was prepared, housing proposals were still being evaluated and there were no specific projects identified for the use of these funds.

In addition to Redevelopment Housing Funds, the Town also collects in-lieu fees from the BMP program. As of Spring 2002, the balance in that fund was estimated to be approximately \$1.4 million dollars. The Town intends to combine this fund with Redevelopment Housing Fund monies in providing assistance to developers and/or providers of affordable housing. In Fall 2002, the Town is planning an affordable housing strategy session that will include a discussion of specific uses of the Redevelopment funds and in-lieu fees so that any expenditures reflect the goals of the 2002-2006 Housing Element.

FEDERAL RESOURCES (CDBG AND HOME FUNDS)

The Town of Los Gatos also is eligible to receive federal CDBG and HOME funds through their participation in the Urban County and Consortium of Santa Clara County. These federal funds are awarded on an annual basis to the County and are used by member communities for affordable housing activities. For example, CDBG funds were provided to the Los Gatos Creek Village Apartments on Miles Avenue and these funds are also used to fund the Town's Housing Conservation Program for housing rehabilitation activities.

OTHER STATE/FEDERAL/LOCAL FINANCIAL RESOURCES

In addition to the funding sources identified above, the Town also has access to other funding resources as appropriate. These funding sources are typically used on a project-by-project basis and are not secure, annual funding sources such as CDBG, HOME and Redevelopment housing set-aside funds. These financial resources include:

1. State of California, Department of Housing and Community Development loan and grant programs,
2. California Housing Finance Agency financial assistance programs,
3. Federal/State Low Income Housing Tax Credits,
4. Federal Home Loan Bank, Affordable Housing Program,
5. Mortgage Credit Certificates